

STATE OF OHIO
Executive Department

OFFICE OF THE GOVERNOR

Columbus

VETO MESSAGES

**STATEMENT OF THE REASONS FOR THE VETO OF ITEMS IN
AMENDED SUBSTITUTE HOUSE BILL 33**

July 3, 2023

Pursuant to Article II, Section 16 of the Ohio Constitution, which states that the Governor may disapprove any items in a bill making an appropriation of money, I hereby disapprove the following items contained in Amended Substitute House Bill 33 and set forth below the reasons for so doing, as in the public interests. The text I am disapproving is identified in this message by reference to the corresponding page and boxed text of the bill.

ITEM NUMBER 1

On page 2231, delete the following boxed text, “~~and~~”.

On page 2231, delete the boxed text beginning with “, civilian employees...” and ending with “of any such individual”.

Transcranial Magnetic Stimulation Program

This provision would add new patient populations to the existing electroencephalogram transcranial magnetic stimulation (eTMS) clinical trial. This budget prioritizes the health and well-being of Ohio veterans and first responders by making eTMS treatment more widely available for those who suffer from PTSD, depression, or other service-related trauma. The eTMS treatment for veterans and first responders is part of a continuing clinical trial that will be evaluated by the U.S. Food and Drug Administration (FDA) for approval. This item’s modification of the clinical trial patient populations at this stage of development would delay the FDA’s current approval process and disrupt Ohio’s progress on making this treatment more widely available. Further, the removal of this item is at the request of the sponsor. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 2

On page 5975, delete the boxed text beginning with “(A) As used...” and ending with “fiscal year 2025.”.

On page 5975, delete the boxed text beginning with “any pharmacist...” and ending with “the following: (1)”.

On page 5975, delete the boxed text, “used in.”

On page 5975, delete the boxed text, “medication-assisted treatment”.

On page 5975, delete the boxed text “;”.

On page 5975, delete the boxed text beginning with “(2) Prescribers for...” and ending with “whichever occurs first”.

Lockable Vials

This item codifies Medicaid reimbursement to any pharmacy for costs related to dispensing drugs in lockable or tamper-evident containers. The Ohio Department of Medicaid (ODM) currently accounts for the cost of these containers through its Medicaid Dispensing Fee Cost to Dispense Survey. The DeWine-Husted Administration supports the intent of this item and will work with pharmacies to increase access to secure containers for patients who need them. The language in this item, however, is overly prescriptive and will limit ODM’s ability to appropriately manage this issue in a way that benefits Ohio consumers and complies with federal regulations. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 3

On page 5926, delete the boxed text beginning with “The Medicaid Director...” and ending with “(E)”.

Required data sharing of private patient level Medicaid data with Ohio Department of Health vendors

This item requires the director of the Ohio Department of Medicaid (ODM) to share patient health data with the Ohio Department of Health (ODH) and the statutorily required vendor that is completing the newly created health screening pilot program. Because the use of this data by a vendor would not be directly connected to the administration of the Medicaid program, ODM is prohibited from sharing this information with ODH according to 42 USC 1396a(a)(7)(A) and 42 CFR 431.302. Therefore, a veto of this item is in the public interest.

ITEM NUMBER 4

On page 2326, delete the boxed text beginning with “(C) If the qualified entity...” and ending with “disqualifying month.”.

Presumptive Eligibility

This item would exclude Medicaid providers who are qualified to presumptively enroll persons on Medicaid from participating for a period of five years as a qualified entity if they fail to meet the new statutory performance benchmarks. Several of the provisions in this item are in violation of federal statutes and regulations. The DeWine-Husted Administration is supportive of the legislative intent of the item and believes the new requirements will support ongoing efforts by the Ohio Department of Medicaid to decrease error rates in presumptive eligibility determinations, including the requirement that providers receive training and annual compliance audits. Further, the 5-year penalty would require hospitals to forgo payment for emergency medical care and cause an undue financial burden on other critical access organizations which are federally required to provide care. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 5

On page 1765, delete the boxed text beginning with “for the first violation...” and ending with “that division”.

Reinstatement Fee for Noncompliance.

This item reduces driver’s license reinstatement fees to a flat \$40 for individuals whose licenses have been suspended for driving without automobile insurance, regardless of any previous driving without insurance offenses. Under current law, reinstatement fees are \$100 for a first offense, \$300 for a second offense, and \$600 for a third offense.

Uninsured drivers impact all Ohioans because uninsured motorists push costs to insured drivers through increased crash-related costs. As noted in the *Columbus Dispatch*, Ohio’s highly competitive automobile insurance market provides coverage to drivers at the lowest cost of any state in the United States. Ohio’s motor vehicle insurance requirements play a key role in maintaining this status, and Ohio’s tiered reinstatement fee structure incentivizes compliance.

Currently, the Ohio Bureau of Motor Vehicles (BMV) offers both installment and amnesty plans to minimize financial barriers to license reinstatement for income-eligible individuals. The installment plan allows eligible individuals to regain driving privileges for as little as \$25 and proof of financial responsibility.

Narrowing this item to reduce the fee to \$40 for first-time offenders, while maintaining tiered fees for habitual offenders, will reduce financial barriers for those committing a single violation while continuing to discourage recidivism. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 6

On page 1861, delete the boxed text beginning with “all of the following...” and ending with “childbirth inc.; (i)”.

On page 1861, delete the following boxed text “other”.

On page 1862, delete the boxed text beginning with “For the period...” and ending with “the Revised Code.”.

On page 1862, delete the boxed text beginning with “, including at least...” and ending with “own through transformation”.

On page 2326, delete the boxed text beginning with “During the period...” and ending with “of this section.”.

On page 2326, delete the following boxed text “Medicaid payments for”.

On page 2327, delete the boxed text beginning with “doula services shall...” and ending with “of that pregnancy.”.

On page 2327, delete the boxed text beginning with “Outcome measurements and...” and ending with “oversight committee. (D)”.

Doula Services

This item requires the Ohio Department of Medicaid (ODM) to cover the cost of doula services for five years and to complete annual reporting regarding doula coverage outcomes. This budget provides significant support for mothers and babies, including funding to support the establishment of doula services in the Medicaid program via the Maternal and Infant Support Program. The DeWine-Husted Administration supports the legislative intent of this item and intends to regulate the practice of doulas and require Medicaid coverage of these services. Several provisions included in the language, however, are unnecessary and would impede ODM’s ability to quickly provide access to these needed services for pregnant and new mothers. Further, the provision requiring annual reporting is duplicative of that required by R.C. 5162.13. In addition, this veto was requested by the sponsor. Therefore, this veto of this item is in the public interest.

ITEM NUMBER 7

On page 255, delete the boxed text beginning with “, if the contract for the supplies...” and ending with “or (3) of this section”.

Utilizing Electronic Procurement System

This item would alter the intent of adding the state’s modern e-procurement platform, OhioBuys, to the list of approved competitive selection processes for companies seeking to do business with the state. Removing this language maintains the policy intent of this item while reducing barriers to accessing state business opportunities. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 8

On page 269, delete the following boxed text, “adopt rules under Chapter 119. of the Revised Code to”.

On page 270, delete the following boxed text, “The rules adopted under”.

On page 270, delete the following boxed text, “information technology”.

Implementing prohibition of certain applications on state networks and devices

This item codifies the policy implemented in Executive Order 2023-03D (issued January 2023) regarding certain applications on state networks and devices. There are two minor issues with the codification attempt. First, a technical qualifier was added that may have inadvertently excluded critical state entities necessary to protect state security. A veto to remove the unnecessary qualifier will resolve this technical issue.

Second, the provision requires the creation of administrative rules for implementation that are not needed. The policy of the DeWine-Husted Administration has been to aggressively reduce and remove unnecessary administrative rules that create regulatory burdens and hinder economic growth in this state. The State Chief Information Officer is able to implement the law without creating additional regulations.

Therefore, the veto of this item is in the public interest.

ITEM NUMBER 9

On page 1528, delete the boxed text beginning with “, or elaboration...” and ending with “...or expectations,”.

Ohio Environmental Protection Agency Policies

This item as written would limit the ability of the Ohio Environmental Protection Agency (EPA) to provide clarity about agency policies. Although the item was not intended to ban the explanation of policy, the language can easily be interpreted this way. The Ohio Environmental Protection Agency plays an important role in ensuring Ohioans have access to clean air and drinking water, and it must have the ability to explain the meaning of policy decisions to constituents and stakeholders. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 10

On page 1869, delete the following boxed text, “, (17),”.

On page 1878, delete the boxed text beginning with “A person who...” and ending with “law enforcement agency; (18)”.

Terminal distributor license exemptions

This item adds certain exemptions to the terminal distributor of dangerous drugs licensure requirement. An inadvertent drafting error allowed for canine trainers who are training law enforcement drug-detecting dogs to possess unlawful drugs without a license. Therefore, the partial veto of this item is in the public interest.

ITEM NUMBER 11

On page 5846, delete the boxed text, “in accordance with this section. The funds shall be used”.

On page 5846, delete the boxed text, “the base”.

On page 5846, delete the boxed text, “to \$17 per hour”.

On page 5846, delete the boxed text, “\$18 per hour”.

On page 5846, delete the boxed text, “, for the following”.

On page 5847, delete the boxed text beginning with “services under Medicaid...” and ending with “the Revised Code”.

On page 5851, delete the boxed text beginning with “for the following services...” and ending with “Adult day services”.

On page 5960, delete the following boxed text beginning with, “Section 333.17. FQHC RATE INCREASE...” and ending with “treating Medicaid patients.”.

On page 5960, delete the boxed text beginning with “to \$17 per hour...” and ending with “during fiscal year 2025,”.

On page 5966, delete the following boxed text beginning with, “Section 333.135. MEDICAID PAYMENT...” and ending with “ambulance transportation services.”.

On page 5971, delete the boxed text, “, effective November 1, 2023,”.

On page 5971, delete the boxed text, “that shall be no less than one hundred thirty dollars per day”.

On page 5971, delete the boxed text, “, effective November 1, 2023,”.

On page 5971, delete the boxed text beginning with “and, except as...” and ending with “of this section”.

On page 5972, delete the following boxed text beginning with “(D) The Department of Medicaid...” and ending with “no later than July 1, 2024.”.

Medicaid Rates in Statutes

This item codifies certain Medicaid program rates in statute. The Ohio Department of Medicaid (ODM), the Ohio Department of Developmental Disabilities (DODD), and the Ohio Department of Aging (AGE) are supportive of and will work to implement the proposed legislative rate increases. However, establishing rates in statute restricts the ability of the ODM, DODD, and AGE to appropriately manage the policies and costs of the Medicaid program in a way that benefits Ohio consumers and complies with federal regulations. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 12

On page 8, delete the following boxed text “4928.85, 4928.86, 4928.88,”.

On page 8, delete the following boxed text “4928.89,”.

On page 28, delete the following boxed text “4928.85,”.

On page 28, delete the following boxed text “4928.86, 4928.88, 4928.89,”.

On page 283, delete the following boxed text “provide financial assistance through”.

On page 283, delete the following boxed text “loans, grants, or other incentives that”.

On page 283, delete the following boxed text “gas”.

On page 283, delete the following boxed text “Such improvements include electric”.

On page 284, delete the boxed text beginning with “infrastructure development approved...” and ending with “the Revised Code.”

On page 284, delete the following boxed text “of development”.

On page 284, delete the following boxed text “to”.

On page 284, delete the following boxed text “eligible economic development projects”.

On page 284, delete the boxed text beginning with “The rules shall...” and ending with “administer this section.”.

On page 284, delete the boxed text beginning with “When awarding financial...” and continuing to the bottom of the page.

On page 285, delete the boxed text beginning with “(D) The director...” and ending with “of site development. (E)”.

On page 285, delete the boxed text beginning with “(F) No entity that...” and ending with “water treatment facility.”.

On page 2150, delete the boxed text beginning with “Sec. 4928.85. As used...” and continuing to the bottom of the page.

On page 2151, delete the boxed text.

On page 2152, delete the boxed text beginning with “later than forty-five...” and ending with “of the hearing.”.

All Ohio Future Fund Flexibility

The All Ohio Future Fund is created to prepare sites for transformational economic development in every corner of the state so our children can live, work, and thrive everywhere in Ohio. This partial veto is intended to maintain program flexibility and allow local community opportunities to be considered, while maintaining the state’s Controlling Board as the final approval mechanism. Additionally, the DeWine-Husted Administration supports creating a strategic plan for extending electricity and natural gas to high-priority sites in advance of an end user, while ensuring that the process is fair to consumers. The Administration looks forward to engaging in future discussions to best position the state as a leader in site development. Therefore, this partial veto of this item is in the public interest.

ITEM NUMBER 13

On page 6, delete the following boxed text, “5747.025,”

On page 27, delete the following boxed text, “5747.025,”

On page 2701, delete the boxed text “and division (A)(6) of this section” and the boxed text beginning with “(6) The tax commissioner...” and continuing to the end of the page.

On page 2702, delete the boxed text beginning with “section for taxable years...” and ending with “pursuant to this division”.

On page 2703, delete the boxed text beginning with “Sec. 5747.025...” and continuing to the end of the page.

On page 2704, delete the boxed text beginning with “(B) ~~For taxable years...~~” and ending with “in the preceding calendar year.”

On page 2772, delete the following boxed text, “5747.025,”

Income Tax Rate Reduction

This item requires the Tax Commissioner to set personal income tax rates and brackets. The Ohio Constitution specifically grants the power to set tax rates to the legislative branch under Article II, Section 1 and Article XII, Section 3. As such, this provision is unconstitutional. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 14

On page 2544, delete the boxed text “before”.

On page 2548, delete boxed text beginning with “For purposes of divisions (F)(6)(a) and (b)” and ending with “(d)”.

Retaining Ohio Residency Requirement for Qualified Energy Projects

This item amends existing property tax exemptions associated with Qualified Energy Projects by including specified out-of-state workers who reside within 50 miles of the Ohio border in a new definition of “Ohio-domiciled.” This veto removes this provision because it is unfavorable to Ohio residents. A 50-mile radius could allow a resident of Pittsburgh, Ann Arbor, Fort Wayne, or even western New York to potentially count as an Ohio-domiciled resident, which does not support the intention to ensure that Ohioans are employed on these projects receiving a property tax exemption. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 15

On page 7, delete the following boxed text “5747.06,”.

On page 27, delete the following boxed text “5747.06,”.

On page 292, delete the following boxed text “general revenue”.

On page 292, delete the boxed text beginning with “The director shall...” and ending with “million dollar threshold.”.

On page 2707, delete the boxed text beginning with “Sec. 5747.06. (A) Except as provided...” and ending with “...included in the employee’s”.

On page 2708, delete the boxed text.

On page 2709, delete the boxed text.

On page 2710, delete the boxed text beginning with “the thirty-first day...” and ending with “the Revised Code.”.

On page 2772, delete the following boxed text “5747.06,”.

On page 6126, delete the boxed text beginning with “Notwithstanding section 131.44...” and ending with “Budget Stabilization Fund (Fund 7013).”.

On page 6126, delete the boxed text beginning with “The total transfer...” and ending with “not exceed \$600,000,000.”.

Retaining Budget Stabilization Fund Interest

This item would require interest earned on the Budget Stabilization Fund (BSF), to be directed into Ohio's General Revenue Fund. Current law passed in the 2022-2023 budget allows the BSF, also known as the "rainy day" fund, to retain its own interest earnings. The BSF acts as the state's savings account during good economic times to protect the state budget from cyclical changes in revenue and expenses that may occur during economic downturns. The DeWine-Husted Administration supports conservative fiscal management and sound budgeting and is focused on preparing the state for the future. Allowing the BSF to continue retaining its interest while also maintaining a robust Human Services Reserve Fund will preserve budget stability. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 16

On page 6118, delete the following boxed text, “, excluding the Oil and Gas Well Fund (Fund 5180),”.

Balancing the General Revenue Fund

This item would allow the director of the Office of Budget and Management (OBM) to transfer up to \$200 million cash from any non-General Revenue Fund (GRF) fund to the GRF during FY 2025, excluding any constitutionally restricted fund and the Oil and Gas Well Fund (Fund 5180). The transfer authorization has been a reoccurring provision that provides the OBM Director flexibility to maintain the balance of the GRF. Carving out the Oil and Gas Well Fund (Fund 5180) as exempt from potential transfers erodes the ability of OBM to balance the budget in the case of a potential economic downturn. Further, the Oil and Gas Well Fund would become the only fund not constitutionally restricted to be excluded from this provision. The DeWine-Husted Administration supports working with key stakeholders to utilize the Fund for plugging abandoned gas wells and other related expenditures, while also efficiently and appropriately managing tax resources and providing stable services to Ohioans. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 17

On page 6189, delete the boxed text beginning with “Section 803.140....” and ending with “effective date of this section.”.

Sales and Rentals to Government Entities

This item expands a sales tax exemption for construction materials and services sold or rented to government entities. The language specifies that the provision is a clarification of current law and should be applied retroactively to all cases that are currently under review by the Ohio Department of Taxation or any transactions under audit. This is an expansion of the current law, not a

clarification, and it should not be applied retroactively. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 18

On page 1, delete the following boxed text, “107.032, 107.033,” “131.57, 131.58,”.
On page 7, delete the following boxed text, “107.035 (107.034),” “107.035,”.
On page 8, delete the following boxed text, “107.034,”.
On page 23, delete the following boxed text, “107.032, 107.033,” “131.57, 131.58,”.
On page 27, delete the following boxed text, “107.035 (107.034),” “107.035,”.
On page 53, delete the boxed text.
On page 54, delete the boxed text.
On page 55, delete the boxed text beginning with “effective date of this ...” and ending with “general revenue fund.”.
On page 295, delete the boxed text beginning with “Sec. 131.57. Notwithstanding section ...” and ending with “that the general”.
On page 296, delete the boxed text beginning with “assembly determines shall ...” and ending with “~~131.57 of the Revised Code.~~”.
On page 2768, delete the following boxed text, “107.032, 107.033, 107.035,”.
On page 2769, delete the following boxed text, “131.57, 131.58,”.
On page 2772, delete the following boxed text, “107.034,”.
On page 6168, delete the boxed text beginning with “Section 701.40. When calculating ...” and ending with “Section 101.01 of this act.”.
On page 6193, delete the boxed text beginning with “Section 812.50. Sections 107.032 ...” and ending with “July 1, 2026.”

Retaining the State Appropriation Limitation

This item would change the State Appropriation Limitation (SAL) calculation to further limit the General Assembly’s allowable spending from the General Revenue Fund in an enacted budget. The SAL is a mathematical formula completed every two years that calculates the amount by which Ohio’s overall general revenue spending can increase from one budget cycle to the next. Beginning in fiscal year 2028, this item would reduce the percentage increase to three percent each year without allowing inflation to be considered. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 19

On page 7, delete the following boxed text, “1501.014,”.
On page 27, delete the following boxed text, “1501.014,”.
On page 628, delete the boxed text beginning with “Sec. 1501.014. (A) As used in this section...” and ending with “voting member’s vote.”.

Consistent Controlling Board Process

This item modifies standard Controlling Board procedures for certain types of real property purchases made specifically by the Ohio Department of Natural Resources (ODNR). This modified process allows only legislative members of the Controlling Board to vote on the ODNR purchase, contradicting the longstanding process that includes votes from both the legislative and executive branch. This item would be out of step with the Controlling Board's long-standing procedures. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 20

On page 1, delete the following boxed text, "109.11, 109.111, 109.112,".

On page 7, delete the following boxed text, "109.113,".

On page 23, delete the following boxed text, "109.11, 109.111, 109.112,".

On page 27, delete the following boxed text, "109.113,".

On page 60, delete the boxed text beginning with "Sec. 109.11. (A) There ..." and ending with "including attorney fees".

On page 61, delete the boxed text beginning with "owed to special ..." and ending with "of the money".

On page 62, delete the boxed text beginning with "to the appropriate ..." and ending with "from this fund.".

On page 2768, delete the following boxed text, "109.11, 109.111, 109.112,".

On page 6192, delete the boxed text beginning with "Section 812.12. The ..." and ending with "state before then.".

Proceeds from Large Settlements or Awards

This item directs the Ohio Attorney General to deposit proceeds over a certain amount from any court proceeding on behalf of the state into a new fund. This item is drafted in a way that is unworkable, and the Attorney General has stated he would work with the General Assembly to reach a workable solution. There is no exception for settlement agreements authorized by courts, orders of a court directing damages consistent with federal or state law, or multistate complex litigation resulting in awards to the benefit of Ohio's citizens where a federal court or alternative dispute resolution proceeding provides for the allowable uses of the award. There already exists throughout the Ohio Revised Code a statutory structure accounting for the appropriate deposit and use of proceeds to benefit specific state programs and specific populations of citizen beneficiaries of large settlements or awards. In addition, where a funding structure does not exist, the Ohio Controlling Board is authorized to establish funds and appropriations to support future settlements. This item would limit the state's ability to nimbly respond and distribute these settlement awards to the citizen beneficiaries. Therefore, this veto is in the public interest.

ITEM NUMBER 21

On page 819, delete the boxed text beginning with “~~any substance...~~” and ending with “electronic liquids”.

On page 820, delete the boxed text beginning with “Electronic liquid...” and ending with “(8)”.

On page 820, delete the boxed text, “electronic”.

On page 820, delete the boxed text beginning with “~~used in electronic...~~” and ending with “~~contain nicotine~~”.

On page 820, delete the boxed text, “away”.

On page 821, delete the boxed text, “otherwise”.

On page 821, delete the boxed text, “otherwise”.

On page 821, delete the boxed text, “away”.

On page 821, delete the boxed text beginning with “: (a) to any person...” and ending with “of the Revised Code”.

Give away of tobacco and alternative nicotine products

This item strengthens existing law regarding age verification required for the sale of certain tobacco products. Given that tobacco is highly addictive and that the use of tobacco products carries a high risk of severe health complications, strengthening age verification to discourage and prevent the sale of tobacco products to underage individuals is a welcome policy enhancement. However, the language contains an errant reference to free samples of tobacco products. Currently in Ohio, it is against the law to provide free samples of tobacco, and inadvertently opening the door to the distribution of free tobacco products goes directly against Ohio’s significant efforts to reduce tobacco use, especially amongst youth, and improve public health. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 22

On page 6, delete the following boxed text, “5743.53.”.

On page 8, delete the following boxed text, “5743.06.”.

On page 27, delete the following boxed text, “5743.53.”.

On page 28, delete the following boxed text, “5743.06.”.

On page 2656, delete the boxed text beginning with “Sec. 5743.06.” and continuing to the end of the page.

On page 2657, delete the boxed text.

On page 2658, delete the boxed text “section.”.

On page 2664, delete the boxed text beginning with “Sec. 5743.53. (A) The treasurer...” and continuing through the end of the page.

On page 2665, delete the boxed text.

On page 2666, delete the boxed text beginning with “financing charges on the debt...” and ending with “administer this section.”

On page 2772, delete the following boxed text, “5743.53.”.

On page 6189, delete the boxed text beginning with “Section 803.150. The amendment...” and ending with “or after January 1, 2024.”.

Refund on bad debts for cigarette, tobacco, and vapor products

This item would require the State to provide an excise tax refund to cigarette wholesalers or tobacco distributors when retailer businesses fail to pay for cigarette and other tobacco/vapor purchases. A retailer failing to pay a wholesaler or distributor is a civil contractual issue between two private parties. Under this provision, the Ohio Department of Taxation has limited ability to know whether these bad debts are ultimately collected, which could result in wholesalers not only receiving a refund, but then receiving the money from the retailer through a civil action. The state should not be required to pay refunds for failed private business contracts. Further, the provision would also ultimately reduce General Revenue Fund revenue by an amount that would be highly variable from year to year, which would negatively impacting counties, municipalities, and libraries by lowering the Local Government Fund and Public Library Fund. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 23

On page 6, delete the following boxed text, “5743.51,”.

On page 27, delete the following boxed text, “5743.51,”.

On page 2649, delete the boxed text, ““Vapor distributor” does not include a qualifying vapor manufacturer or importer.”.

On page 2649, delete the boxed text beginning with “(X) “Qualifying vapor...” and ending with “of this state.”.

On page 2662, delete the boxed text beginning with “Sec. 5743.51. (A) To provide...” and continuing to the end of the page.

On page 2663, delete the boxed text beginning with “per cent of the wholesale” and ending with “statement to the tax commissioner.”.

On page 2674, delete the boxed text “~~or~~,”.

On page 2674, delete the boxed text “, or qualifying vapor manufacturer or importer”.

On page 2675, delete the boxed text beginning with “(D) The tax imposed...” and ending with “persons outside of this state.”.

On page 2675, delete the boxed text beginning with “The consent...” and ending with “into this state.”.

On page 2772 delete the following boxed text, “5743.51,”.

Taxation of qualifying vapor manufacturers and importers

This item would exempt vapor products from state excise tax if the products are received and stored in Ohio by a manufacturer or importer specifically for future sale out of state. Under current law, manufacturers/importers who bring tobacco products into Ohio must report those products to the Ohio Department of Taxation (Taxation) and pay applicable taxes. If the products are shipped out of Ohio, manufacturers/importers can claim these taxes on their tax return or request a refund from Taxation, depending on the circumstances of each shipment. The proposed provision would not only allow harmful substances to enter Ohio untaxed, but it would make it possible for these

products to be sold in Ohio untaxed and without any record of the product ever being in the state. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 24

On page 7, delete the boxed text, “9.681,”.

On page 27, delete the boxed text, “9.681,”.

On page 28, delete the following boxed text beginning with “Sec. 9.681. (A) As used in this section...” and continuing through the end of the page.

On page 29, delete the boxed text.

On page 30, delete the boxed text beginning with “tax expressly authorized...” and ending with “of the Revised Code.”.

Prohibition on local regulation of tobacco and nicotine products.

This item prohibits the local regulation of tobacco products and alternative nicotine products, despite the fact that these products are known to be harmful to health. The U.S. Centers for Disease Control and Prevention estimates that approximately 480,000 Americans die from cigarette smoke each year. Tobacco and alternative nicotine products also have a direct impact on increasing health care costs for all Ohioans. Worse yet, the marketing of flavored tobacco products often targets children. In the absence of an effective and comprehensive statewide flavored tobacco ban (including menthol) – which is this administration’s preferred policy approach – local government bans are essential because they reduce access to flavored tobacco and nicotine alternative products and interrupt the cycle of addiction. The removal of local regulation would encourage youth nicotine addiction and immediately undo years of progress to improve public health, which is why a similar provision was previously vetoed. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 25

On page 8, delete the following boxed text, “3748.23,”.

On page 8, delete the following boxed text, “4164.052,”.

On page 8, delete the boxed text beginning with “4164.09, ...” and ending with “4164.0918,”.

On page 8, delete the following boxed text, “4164.20,”.

On page 27, delete the following boxed text, “3748.23,”.

On page 27, delete the following boxed text, “4164.052,”.

On page 27, delete the boxed text beginning with “4164.09, ...” and ending with “4164.094,”.

On page 28, delete the boxed text beginning with “4164.096, ...” and ending with “4164.0918,”.

On page 28, delete the following boxed text, “4164.20,”.

On page 1531, delete the following boxed text, “~~general assembly hereby designates the~~”.

On page 1531, delete the following boxed text, “, in”.

On page 1531, delete the following boxed text “addition to the Ohio nuclear development authority”.

On page 1531, delete the following boxed text, “~~the agency~~”.

On page 1531, delete the boxed text beginning with “~~to~~ by division (F)...” and ending with “Revised Code, may”.

On page 1531, delete the following boxed text, “and the Ohio nuclear development authority may”.

On page 1531, delete the boxed text beginning with “Sec. 3748.23. The rules ...” and ending with “of the Revised Code.”.

On page 1636, delete the following boxed text, “:”.

On page 1636, delete the following boxed text, “(A)”.

On page 1636, delete the boxed text beginning with “(B) “Council” means ...” and ending with “of the Revised Code.”.

On page 1637, delete the boxed text beginning with “(F) Initial appointments ...” and ending with “of this section.”.

On page 1637, delete the following boxed text, “;”.

On page 1637, delete the following boxed text, “;”.

On page 1637, delete the boxed text beginning with “from lists of...” and ending with “or second list”.

On page 1638, delete the boxed text beginning with “Sec. 4164.09. There is ...” and continuing to the end of the page.

On page 1639, delete the boxed text beginning with “(B) Initial appointments ...” and ending with “serve without compensation.”.

On page 1640, delete the following boxed text, “;”.

On page 1640, delete the boxed text beginning with “(E) To assume, ...” and ending with “military agency under the”.

On page 1641, delete the following boxed text, “authority of the department or agency”.

On page 1641, delete the following boxed text, “sections 4164.01 to 4164.20 of”.

On page 1641, delete the following boxed text, “to approve designs”.

On page 1642, delete the boxed text beginning with “(M) Other areas that ...” and ending with “upon in writing.”.

On page 1642, delete the boxed text beginning with “with respect to ...” and ending with “of the Revised Code”.

Streamlining Creation of Ohio Nuclear Development Authority

This item creates the Ohio Nuclear Development Authority within the Ohio Department of Development in an effort to advance nuclear research and support the development of the industry in Ohio. The Ohio Department of Health (ODH) is designated as Ohio’s regulatory agency for the United States Nuclear Regulatory Commission (US NRC). While the DeWine-Husted Administration is supportive of the legislative intent of the item, the vetoed provisions would have undermined ODH’s status by splitting regulatory authority, creating duplicative regulatory systems, establishing an unusual nominating committee process for the Authority, and enacting conflicting regulatory structures. A condition for Ohio to be an Agreement State with the federal government is having a single radiation-control agency. Splitting this authority would have violated Ohio’s agreement with US NRC and given the federal government a basis to terminate Ohio’s Agreement State status. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 26

On page 6119, delete the boxed text”,.”.

On page 6119, delete the boxed text “which shall be at least fourteen days, and may include additional days”.

On page 6119, delete the boxed text “on fifteen or more dates”.

On page 6119, delete the boxed text “from August 1, 2024, through August 14, 2024, and may include additional consecutive dates thereafter”.

Expanded Sales Tax Holiday

This item expands Ohio’s annual sales tax holiday to fourteen days in 2024 and allows the Tax Commissioner, the Office of Budget and Management Director, and the Ohio County Commissioners Association to set the length of time for sales tax holidays in 2025 and beyond, depending upon the surplus available.

The DeWine-Husted Administration supports the expanded sales tax holiday to provide tax relief to all Ohioans. Because the expanded sales tax holiday is a new policy, the revenue loss that will result cannot be estimated. Instead of requiring that the initial expanded sales tax holiday be two weeks long, a veto will allow the Tax Commissioner and the Director of Budget and Management, with the County Commissioners Association, to determine the length of the first expanded sales tax holiday in 2024. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 27

On page 2413, delete the boxed text beginning with ““Real property” means...” and ending with “the Revised Code. (5)”.

On page 2413, delete the following boxed text, “either of the following:”.

On page 2413, delete the following boxed text, “(a)”.

On page 2413, delete the boxed text beginning with “(b) Real property within...” and ending with “the armed forces.”.

On page 2414, delete the boxed text “or real property” as it appears on the page.

On page 2414, delete the following boxed text, “(a) or (b)”.

On page 2414, delete the boxed text “and real property” as it appears on the page.

On page 2414, delete the following boxed text, “However,”.

On page 2414, delete the following boxed text, “If”.

On page 2414, delete the following boxed text, “the”.

On page 2414, delete the following boxed text, “the land”.

On page 2414, delete the following boxed text, “,”.

On page 2414, delete the following boxed text, “not”.

On page 2414, delete the boxed text beginning with “(3) An interest in...” and ending with “other than agriculture.”.

On page 2414, delete the boxed text beginning with “or real property within...” and ending with “of the armed forces”.

On page 2415, delete the following boxed text, “or real property” as it appears on the page.

On page 2415, delete the following boxed text, “(a) or (b)”.

On page 2416, delete the boxed text “or real property” as it appears on the page.

On page 2416, delete the following boxed text, “or”.

On page 2416, delete the following boxed text, “military defense”.

On page 2416, delete the following boxed text, “(a) or (b)”.

On page 2416, delete the following boxed text, “both”.

On page 2416, delete the following boxed text, “and military defense”.

Protecting Ohio Farmland

This item would prohibit foreign adversaries from owning agricultural land in Ohio. Preserving Ohio’s farmland for Ohio farmers strengthens communities and supports an important sector of our economy. There are an estimated 75,000 farms in Ohio, and most are run by families. Restricting ownership of Ohio farmland protects Ohio’s rich agricultural tradition from adverse interests. However, including other non-agricultural real property in this provision could have unintended economic development consequences. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 28

On page 1, delete the following boxed text, “173.39, 173.391,”.

On page 7, delete the following boxed text, “173.394,”.

On page 9, delete the following boxed text, “173.391,”.

On page 24, delete the following boxed text, “173.39, 173.391,”.

On page 27, delete the following boxed text, “173.394,”.

On page 406, delete the boxed text beginning with “Sec. 173.39. (A) As used in...” to the end of the page.

On page 407, delete the boxed text.

On page 408, delete the boxed text.

On page 409, delete the boxed text.

On page 410, delete the boxed text.

On page 411, delete the boxed text beginning with “care facility that seeks...” and ending with “acknowledging the arrangement.”.

On page 2769, delete the following boxed text, “173.39, 173.391,”.

On page 2791, delete the following boxed text, “173.391,”.

On page 2794, delete the boxed text beginning with “Sec. 173.391. (A) Subject to...” to the end of the page.

On page 2795, delete the boxed text.

On page 2796, delete the boxed text.

On page 2797, delete the boxed text beginning with “(F) If the department...” and ending with “that license or certificate.”.

On page 2859, delete the following boxed text, “173.391,”.

On page 5977, delete the boxed text beginning with “Section 333.340. (A) Not later...” and ending with “submitted under this section.”.

Shared bathrooms under Assisted Living Program

This item would eliminate a requirement that every participant in the Assisted Living Waiver program administered by the Ohio Department of Aging is entitled to a private bathroom. Currently in Ohio, facilities must be outfitted with single-occupancy bathrooms to respect residents’ privacy and dignity. This budget prioritizes the health and well-being of Ohioans receiving long-term care by significantly investing to support assisted living providers and increase access to needed healthcare services for Ohioans relying on long-term care support. This provision would unnecessarily lower the standard of care that residents in Ohio’s assisted living facilities deserve. Furthermore, allowing for shared bathrooms is not under the direct authority of the Ohio Department of Aging and would require federal approval from the Centers for Medicare and Medicaid Services. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 29

On page 5, delete the following boxed text “4707.02, 4707.101,”.

On page 25, delete the following boxed text “4707.02, 4707.101,”.

On page 1831, delete the boxed text beginning with “Sec. 4707.02. (A)...” and ending with “As used in division.”.

On page 1832, delete the boxed text beginning with “(B)(5)(b)...” and ending with “...refusal is in accordance with”.

On page 1833, delete the boxed text beginning with “section 9.79 of the Revised Code...” and ending with “...apprenticeship prior to that”.

On page 1834, delete the following boxed text “date.”.

On page 2771, delete the following boxed text “4707.02, 4707.101,”.

Ohio Auctioneer Consumer Protections

This item removes protections created under House Bill 321 which ensure that Ohio auctioneers use industry best practices. The bill, which went into effect in September 2022, replaced an older apprenticeship program with a new eight-hour continuing education requirement every biennium. HB 321 also added a new online auctioneer licensure requirement with the Ohio Department of Agriculture. The provisions in HB 321 were enacted to protect Ohio consumers. Therefore, this veto is in the public interest.

ITEM NUMBER 30

On page 2, delete the following boxed text, “1701.01, 1707.09, 1707.091, 1707.092,”.

On page 24, delete the following boxed text, “1707.01, 1707.09,”.

On page 24, delete the following boxed text, “1707.091, 1707.092,”.

On page 662, delete the boxed text beginning with “Sec. 1707.01. As used ...” and continuing to the end of the page .

On page 663, delete the boxed text.

On page 664, delete the boxed text.

On page 665, delete the boxed text.

On page 666, delete the boxed text.

On page 667, delete the boxed text.

On page 668, delete the boxed text.

On page 669, delete the boxed text.

On page 670, delete the boxed text.

On page 671, delete the boxed text.

On page 672, delete the boxed text.

On page 673, delete the boxed text.

On page 674, delete the boxed text.

On page 675, delete the boxed text.

On page 676, delete the boxed text.

On page 677, delete the boxed text.

On page 678, delete the boxed text.

On page 679, delete the boxed text.

On page 680, delete the boxed text.

On page 681, delete the boxed text beginning with “(b) A form U-1” and ending with “for thirteen months.”.

On page 681, the following boxed text beginning with “Sec. 1710.01. As used ...” and ending with “as being exempt” was inadvertently boxed and should be disregarded and is not part of this item.

On page 2769, delete the following boxed text, “1707.01, 1707.09, 1707.091, 1707.092,”.

Changes to Regulation of Securities Registration

This item would eliminate the Ohio Department of Commerce’s (Commerce) longstanding ability to conduct an independent review of high-risk Real Estate Investment Trusts (REITs) marketed and sold in Ohio. The Division of Securities has used this authority for more than 100 years to screen out fraudulent deals to protect Ohio investors. Commerce’s review of these high-risk investments protects vulnerable Ohioans. In recent years, investors nationwide have lost hundreds of millions of dollars in fraudulent products that were either denied access by Commerce or did not even attempt to market and sell in Ohio. Under this authority, Ohioans benefit from having access to a robust market of available REITs that have complied with Ohio’s standards. Removing this authority will place Ohioans at greater risk and diminish consumer confidence in the available products on the market. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 31

On page 4, delete the following boxed text “3737.83,”.

On page 8, delete the following boxed text “3781.062,”.
On page 9, delete the following boxed text “3737.83,”.
On page 25, delete the following boxed text “3737.83,”.
On page 27, delete the following boxed text “3781.062,”.
On page 1494, delete the boxed text beginning with “Sec. 3737.83. The...” and continuing through the end of the page.
On page 1495, delete the boxed text beginning with “(G) Establish that occupant...” and ending with “42 U.S.C. 12102, et seq.”.
On page 1548, delete the boxed text beginning with “Sec. 3781.062. The director...” and ending with “of the other code.”.
On page 2770, delete the following boxed text “3737.83,”.
On page 2791, delete the following boxed text “3737.83,”.
On page 2823, delete the boxed text beginning with “Sec. 3737.83. The state...” and continuing through the end of the page.
On page 2824, delete the boxed text beginning with “Revised Code...” and ending with “42 U.S.C. 12102, et seq.”.
On page 2859, delete the following boxed text “3737.83,”.

Exemption from Fire Code Sprinkler Requirements

This item exempts certain open-air structures from fire code sprinkler requirements and gives the director of the Ohio Department of Commerce the authority to dictate local fire code enforcement. Ohio’s building and fire codes are based on model codes developed by experts on fire science and risks. Allowing specific structures to be exempt from sprinkler requirements would deteriorate the impact of precautions meant to protect building occupants from fire hazards. Our current system is designed to have strict standards with the ability for local inspectors to issue variances from certain codes when appropriate, and this provision could result in a significant life safety risk to Ohioans. Further, giving the Director of Commerce authority over the enforcement of local fire code would be an improper insertion of a state agency into the operations of Ohio’s local governments and impede their ability to protect their residents. Therefore, this veto is in the public interest.

ITEM NUMBER 32

On page 7, delete the following boxed, “3301.85,”.
On page 27, delete the following boxed text, “3301.85,”.
On page 973, delete the boxed text beginning with “Sec. 3301.85. (A) The department...” and continuing to the end of the page.
On page 974, delete the boxed text beginning with “may affect community schools...” and ending with “comply with those changes.”.

JCARR review of the full-time equivalency manual for community schools

This provision requires that any proposed changes to the Full-Time Equivalency (FTE) Manual be submitted by the Ohio Department of Education and Workforce to the Joint Committee on Agency Rule Review (JCARR) for review and approval. As the state's educational agency, the Department is best situated to make this determination in accordance with state and federal law. This provision also does not provide the Department an opportunity to provide feedback in the proposed JCARR review process, nor does it provide a timeline for JCARR's approval, which could jeopardize the Department's ability to act efficiently in response to legislative changes or federal reporting requirements. Further, the FTE manual is not a rule and therefore is not appropriate for JCARR review. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 33

On page 2, delete the following boxed text, "340.035,".
On page 6, delete the following boxed text, "5160.45,".
On page 24, delete the following boxed text, "340.035,".
On page 26, delete the following boxed text, "5160.45".
On page 487, delete following boxed text beginning with "Sec. 340.035 (A) A board. . . ." and ending with "of the Revised Code."
On page 2319, delete following boxed text beginning with "Sec. 5160.45 (A) As used. . . ." and ending with "person or government".
On page 2320, delete the boxed text.
On page 2321, delete following boxed text beginning with "authority, under division. . . ." and ending with "a written court order."
On page 2769, delete the following boxed text, "340.035,".
On page 2771, delete the following boxed text, "5160.45,".

Required data sharing of private patient level Medicaid data with ADAMH Boards

This item would require the Ohio Department of Mental Health and Addiction Services (OhioMHAS) and the Ohio Department of Medicaid (ODM) to develop and adopt procedures to exchange Medicaid member information between ODM and local Alcohol, Drug Addiction, and Mental Health (ADAMH) boards throughout Ohio. Use of individuals' personal Medicaid information is strictly regulated by the federal government, and a state statute requiring that ODM widely share this sensitive, patient-level information is problematic and unnecessarily risky. Personal Medicaid information should only be handled by specific designees identified by the director of ODM in a manner that meets all state and federal requirements to ensure that this personal information is not compromised or misused. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 34

On page 2246, delete the boxed text beginning with "; (3) A federally qualified ..." and ending with "section 3701.047 of the Revised Code".
On page 2255, delete the boxed text beginning with "(R) Nothing in this section ..." and ending with "under this section.".

Exemption for Federal Qualified Health Centers from certification requirements

This item would exempt Federally Qualified Health Centers (FQHCs) that provide specialty behavioral healthcare services from certification by the Ohio Department of Mental Health and Addiction Services (OhioMHAS). FQHCs provide essential healthcare services to Ohio's medically underserved areas and populations. FQHCs are a highly valued component of Ohio's community healthcare network and play a critical role in filling behavioral health access gaps. This budget prioritizes the quality and integrity of mental health and substance use disorder services in Ohio by ensuring all providers meet certification standards that ensure consistent, high-quality services are being delivered. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 35

On page 2, delete the following boxed text, "1531.03,".

On page 24, delete the following boxed text, "1531.03,".

On page 647, delete the boxed text beginning with "Sec. 1531.03. There is hereby created..." to the end of the page.

On page 648, delete the boxed text beginning with "approval of the..." and ending with "as far as practicable.".

On page 2769, delete the following boxed text, "1531.03,".

Wildlife Council to Annually Approve Ohio's 26 Hunting Season Dates

This item would require that the dates of Ohio's hunting seasons be approved annually by the Ohio Wildlife Council. The Ohio Wildlife Council provides an important voice in the stewardship of Ohio's outdoor recreational traditions, and the Ohio Department of Natural Resources Division of Wildlife regularly consults with the Wildlife Council on changes to hunting season dates. The current system, which relies on the professional determination of the Division of Wildlife, has worked for many years, and we see no reason to change it. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 36

On page 6, delete the following boxed text, "5512.07,".

On page 26, delete the following boxed text, "5512.07,".

On page 2428, delete the following boxed text, "Sec. 5512.07. (A) There is hereby created the transportation review".

On page 2429, delete the boxed text.

On page 2430, delete the boxed text beginning with "shall continue in office..." and ending with "of the council.".

On page 2772, delete the following boxed text, "5512.07,".

On page 6181, delete the boxed text beginning with "Section 755.20. For purposes of..." and ending with "of the Revised Code.".

Transportation Review Advisory Council (TRAC) Membership

The Transportation Review Advisory Council (TRAC) was established in 1997 to help the Ohio Department of Transportation (ODOT) develop and modify a project selection process which approves funding for the development and construction of the Major New Capacity Program. Prior to 1997, the selection process was exercised by ODOT. This item changes the historically successful membership composition to exclude the Director of ODOT from voting and changes the appointment process of other members. The removal of the Director's vote denies the agency charged with implementing the Major New Capacity Program a meaningful seat at the table to represent the agencies challenges and concerns. While the creation of TRAC sought to remove exclusive authority of ODOT to select projects, this item seeks to remove all authority from ODOT. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 37

On page 7, delete the following boxed text, "2307.781,".

On page 27, delete the following boxed text, "2307.781,".

On page 810, delete the boxed text beginning with "Sec. 2307.781. (A) As used..." to the end of the page.

On page 811, delete the boxed text.

On page 812, delete the boxed text beginning with "1301:7-7-02, 1301:7-7-09, ..." and ending with "not a defective product.".

Liquified Gas

This item would create a unique product liability law applicable only to suppliers of liquified petroleum gas and generally exempt suppliers of liquified petroleum gas from civil product liability unless the supplier's misconduct was proven to be intentional. This would be a significant change to Ohio's well developed, settled, and fair product liability tort law that was reformed in the mid 2000s and would give considerable legal protection to a very specific specialized industry by seemingly absolving it of certain causes of action and meaningful duty of care. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 38

On page 3, delete the following boxed text, "3335.02,".

On page 3, delete the following boxed text, "3335.09,".

On page 25, delete the following boxed text, "3335.02, 3335.09,".

On page 1276, delete the boxed text beginning with "Sec. 3335.02." and continuing through the end of the page.

On page 1277, delete the boxed text.

On page 1278, delete the boxed text beginning with "~~university fund~~" and ending with "to be made at the university".

On page 2770, delete the following boxed, "3335.02, 3335.09,".

Student trustees at The Ohio State University

This item would remove the Ohio State Board of Trustees' statutory authority to determine, by resolution, whether the Board's two student members have voting power. Instead, the item would specifically prohibit students from having voting authority. The Board is in the best position to decide whether having students as voting members is in the best interest of the university. The Board already has the authority to revoke the student members' voting power if it determines that it is in the best interest of the university, and that decision is best left with the Board. Therefore, this veto is in the public interest.

ITEM NUMBER 39

On page 2736, delete the boxed text ~~"with not more than one hundred fifty thousand dollars of".~~

On page 2736, delete the boxed text "whose".

On page 2736, delete the boxed text "do not exceed the".

On page 2736, delete the boxed text "exclusion amount".

On page 2747, delete the boxed text "for tax periods".

On page 2747, delete the boxed text "for tax periods".

On page 2747, delete the boxed text beginning with "Thereafter, the tax commissioner..." and ending with "adjustment in the preceding year."

On page 2751, delete the boxed text ~~"Each taxpayer"~~

On page 2751, delete the boxed text beginning with ~~"shall apply the full"~~ and ending with ~~"within that same calendar year."~~

Commercial Activity Tax: Exclusions

This item would exempt certain businesses from the commercial activity tax by increasing the threshold for filers to be subject to the tax. Under current law, businesses with less than \$150,000 in gross receipts per year are excluded from paying the tax. This item increases that exclusion amount to \$3 million per year in 2024 and to \$6 million per year in 2025. A technical veto is needed to clarify that the stated excluded amounts (\$3 million in 2024 and \$6 million in 2025) represent yearly tax periods. Furthermore, this veto closes an unintended potential loophole, open to exploitation through tax planning. Finally, this veto retains the General Assembly's authority to set the exemption levels for this tax pursuant to the Ohio Constitution, Article II, Section 1. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 40

On page 8, delete the following boxed text "3792.05,".

On page 27, delete the following boxed text "3792.05,".

On page 127, delete the following boxed text "3792.05,".

On page 1548, delete the following boxed text beginning with “Sec. 3792.05. (A) As used...” and continuing through the end of the page.

On page 1549, delete the boxed text beginning with “religious convictions, a student...” and ending with “to receive the vaccine.”.

Student Authority to Decline Vaccines at Private Colleges and State Institutions of Higher Education

This item permits a student to decline vaccines that are required for enrollment or residence in university dorms at a private college or state institution of higher education. This item would subject a religiously affiliated institution of higher education to having to legally accept a student's reason of conscience for foregoing vaccinations even if that reason is in direct conflict with the teachings of the religion. In addition, university and college dormitories and student housing are congregate settings where such policy may be of great importance to ensure resident safety. This item is overly broad and may compromise the overall health and safety of students, residents, staff, and faculty at the institution. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 41

On page 6, delete the following boxed text, “5104.31,”.

On page 26, delete the following boxed text, “5104.31,”.

On page 2219, delete the boxed text beginning with “Sec. 5104.31. (A) Publicly funded ...” and ending with “the following may”.

On page 2220, delete the boxed text beginning with “provide publicly funded ...” and ending with “family day-care home.”.

On page 2771, delete the following boxed text, “5104.31,”.

Publicly Funded Child Care – Step Up to Quality exemption

This item would increase the number of child care programs exempt from the Step Up To Quality (SUTQ) rating requirement. SUTQ is Ohio’s quality child care rating and improvement system. Children enrolled in Step Up To Quality programs perform better on kindergarten and third grade assessments, both of which are indicators of future success. With 90 percent of brain development completed in the first five years of life, Ohio must ensure that children have quality supports and services to help them thrive early so they can succeed later in life. Therefore, the veto of this item is in the public interest.

ITEM NUMBER 42

On page 6170, delete the boxed text beginning with “Section 701.100. (A) The Auditor...” to the end of the page.

On page 6171, delete the boxed text beginning with “(4) The systems...” and ending with “Oversight Committee.”.

Departments of Medicaid & Job and Family Services Audit

These items direct the Auditor of State to conduct performance audits into various policy areas within the Departments of Medicaid (ODM) and Job and Family Services (JFS), including evaluating the exercise of executive discretion and management of the agencies. While I welcome the Auditor of State in fulfilling his statutory and constitutional obligations in evaluating material matters and conducting the State Single Audit, the expansive reach within this item is disruptive to the work performed at the ODM and JFS. The Departments, along with all other executive agencies, welcome and encourage third party evaluation of their work including evaluating internal controls and risk within their processes by federal auditors, the Office of Internal Audit, as well as the Auditor of State. My administration is committed to a continued partnership with the Auditor's Office; however, due to the disruptive impact of this item and the duplication of bureaucracy that it entails, this veto is in the public interest.

ITEM NUMBER 43

On page 7, delete the following boxed text "117.092,".

On page 27, delete the following boxed text "117.092,".

On page 90, delete the boxed text beginning with "Sec. 117.092. When conducting..." and ending with "imposed by law.".

Unrestricted Access to Records and Data

This item requires all state agencies and institutions of higher education to give performance auditors with the Auditor of State's Office unrestricted access to records and data. In addition, this item gives discretion to audit staff to determine whether data is privileged or confidential. State agencies and institutions of higher education regularly deal with personal information that is confidential under federal law and should only be shared when proper safeguards are in place. If those safeguards are not in place, it is the staff of the state agencies and institutions of higher education that are held responsible, sometimes criminally, not the State Auditor's staff. Because this item prioritizes this above all the other important work performed to support Ohio citizens, this veto is in the public interest.

ITEM NUMBER 44

On page 4, delete the boxed text "4113.52,".

On page 25, delete the boxed text "4113.52,".

On page 1606, delete the boxed text beginning with "Sec. 4113.52. (A)(1)(a) A person..." to the end of a page.

On page 1607, delete the boxed text.

On page 1608, delete the boxed text.

On page 1609, delete the boxed text.

On page 1610, delete the boxed text beginning with “(2) “Improper solicitation for...” and ending with “...or attestation engagement.”.

On page 2770, delete the boxed text “4113.52,”.

Duplicative Fraud Reporting Process

This item has a goal which I fully support and in fact have implemented for state agencies, boards, and commissions since my first day in office via Executive Order 2019-11D. Broadly, this item requires new training and reporting processes for all public employees and public contractors regarding fraud, theft in office, and misappropriation and misuse of public funds to the Auditor of State. However, this item as drafted has several deficiencies.

An inadvertent error requires reporting “via the auditor of state's fraud-reporting system under *section 117.03 of the Revised Code*” (emphasis supplied). No reporting system exists under section 117.03 of the Revised Code. Revised Code section 117.03 addresses the amount of bond the Auditor must give.

This item also contains the phrase “The duty to report under R.C. 4113.52 is an express statutory duty of the officers and employees of a public office” which directly links this item to the crime of dereliction of duty under R.C. 2921.44(E) see also *State v. Gaul* 117 Ohio App. 3d 839. Since this item creates a duty with criminal penalties (in a budget bill) it must be carefully crafted.

Theft in office is a felony crime under R.C. 2921.41. It is already the law in Ohio under R.C. 2921.22(A)(1) that any person who knows of a felony must report that felony to law enforcement. This item does not have a safe harbor for a public employee who has made a report to the appropriate law enforcement agency but neglects to dually report to the State Auditor. As an example, a local township employee who reports a theft in office to the local Sheriff, the local prosecutor, the FBI, and the US Attorney but neglects to independently tell the State Auditor would violate state law and in theory could be charged with a crime if this item was allowed to pass into law as written.

This item does not define “misuse” or “misappropriation” and therefore, a reasonable person is left without an understanding of what they must report. For example, a community activist may disagree with certain discretionary policy funding choices and feel they are a “misuse” of public funds. This activist could write letters to their state legislator asserting these discretionary policy funding choices are a misuse of public funds. The state legislator would then have to either report this assertion to the State Auditor since they are now “aware” of it or place themselves in jeopardy of criminal prosecution, even if the state legislator views the claim as a disagreement. As a further complication, the activist could file a police report and even criminal charges, because the state legislator did not report to the State Auditor. This could be simply fixed by placing a good faith personal knowledge requirement into the reporting statute.

Misappropriation of funds without a definition could include such mundane situations as a public water systems clerk accidentally crediting the wrong account and then correcting the error within the same minute, day or hour of the error. While I strongly and unequivocally support the reporting of fraud, waste, and abuse to appropriate authorities, including to the Auditor of State,

mandating reporting by all public employees of lesser, undefined acts, and making the failure to report those acts a criminal penalty is worthy of more deliberation to avoid unintended consequences. Further, by penalizing the failure to report and not requiring good faith personal knowledge, this item takes the shield of whistleblower protection and turns it into a sword to be used by nefarious individuals or disgruntled employees to frivolously and maliciously report hearsay for personal retribution.

An additional issue, this item as written could easily trigger so called Garrity protections, see *State v. Graham*, 136 Ohio St.3d 125. This could be mitigated as I did in my Executive Order by including the phrase “[s]uch direction to report and to cooperate is not intended to and should not be interpreted as infringing on any constitutional right against self-incrimination.” While this does have a carve out for prosecutors it does not have a carve out for other law enforcement officers thus for example under this the BCI or a local Sheriff would have to report, likely unprivileged, to the Auditor essentially any public corruption case they are working on; this item does not contain a mechanism for a future Auditor’s staff to report concerns about fraud, theft in office, misappropriation and misuse of public funds to any place but the Auditor’s Office.

At the state level, all agencies within my oversight are and have been directed to report all wrongdoing and potential criminal acts to the Inspector General, Highway Patrol, and Ohio Ethics Commission.

I have directed my office to engage in further conversations with the Auditor of State and General Assembly in support of the concepts within this item to implement an objective standard of reporting and look forward to meaningful conversation in support of training public employees about their reporting duties and encouraging appropriate reporting. For all the foregoing reasons, this veto is in the public interest.

For all of the foregoing reasons, these vetoes are in the public interest.

IN WITNESS WHEREOF, I have
hereunto subscribed my name and
caused the Great Seal of the State of
Ohio to be affixed at Columbus this
4th day of July, Two Thousand
Twenty-Three.

Mike DeWine, Governor

This will acknowledge the receipt of a copy of this veto message of Amended Substitute House Bill 33 that was disapproved in part by Governor Mike DeWine on July 4, 2023.

Name and Title of Officer

Date and Time of Receipt